



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

January 8, 2014

Fiscal Year 2013 Financial Testing Compliance Oversight Reviews

Report Number FT-MA-14-005

BACKGROUND:

The Postal Accountability and Enhancement Act of 2006 requires the U.S. Postal Service to comply with Section 404 of the Sarbanes-Oxley Act and report on the effectiveness of the agency's key internal controls over financial reporting. The Financial Testing Compliance group tests these key financial controls at postal units.

This report addresses key financial control testing related to business mail entry units and detached mail units, where Postal Service employees verify the eligibility of the mail and charge the mailer's account with the correct postage; plant verified drop shipments transported by the mailer from its plant to destination Postal Service facilities; and business reply mail services that provide customers with a convenient prepaid method for replying to a mailing.

The overall objective of our review was to evaluate whether the Financial Testing Compliance group properly tested, documented, and reported its examination of key Sarbanes-Oxley financial reporting controls.

We conducted these reviews in support of an independent public accounting firm's reliance on management's testing and overall audit opinions on the Postal Service's financial statements and internal controls over financial reporting.

WHAT THE OIG FOUND:

We observed the Financial Testing Compliance group's tests at 99 sampled units. We determined that analysts properly tested, documented, and reported their examination of 237 key Sarbanes-Oxley financial reporting controls.

WHAT THE OIG RECOMMENDED:

We did not identify any exceptions; therefore, this report does not contain recommendations. We communicated our observations to the independent public accounting firm and Postal Service management throughout the year. The firm used the information to support its opinion on the fiscal year 2013 Postal Service financial statements and controls over reporting.